

A Funding Formula for Rhode Island:

- Child-Centered
- Equitable
- Accountable

Providing what our children need to succeed

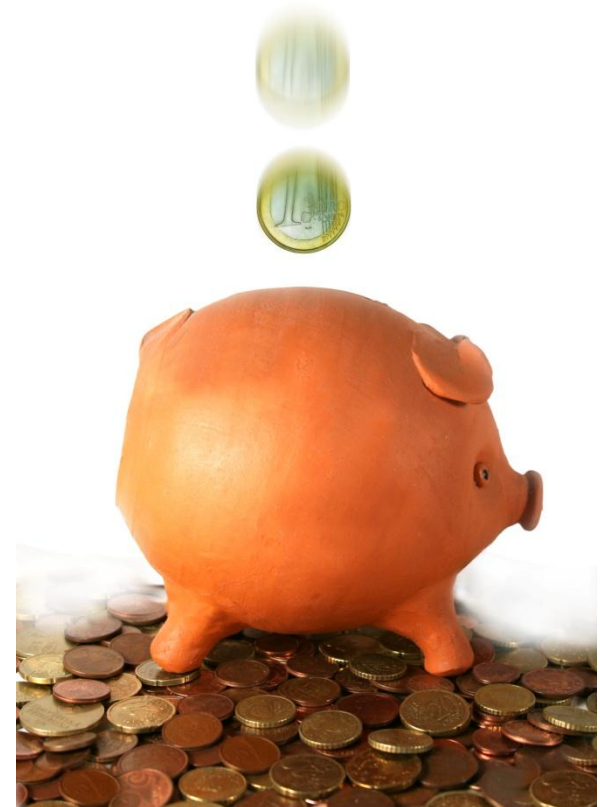
Rhode Island Department of Education
In cooperation with Dr. Kenneth Wong, Brown University

February 26, 2010



Outline

1. Guiding Principles
2. The Proposed Formula
 - Core Instructional Amount
 - Student Success Factor
 - State Share Ratio
3. Benefits of the Formula
4. Other Key Recommendations



Guiding Principles

1. Build a strong foundation for all children.
2. Improve equity among districts and schools.
3. Be transparent and consistent.
4. Be financially responsible.
5. Use New England & RI data and empirical research.



The Proposed Formula

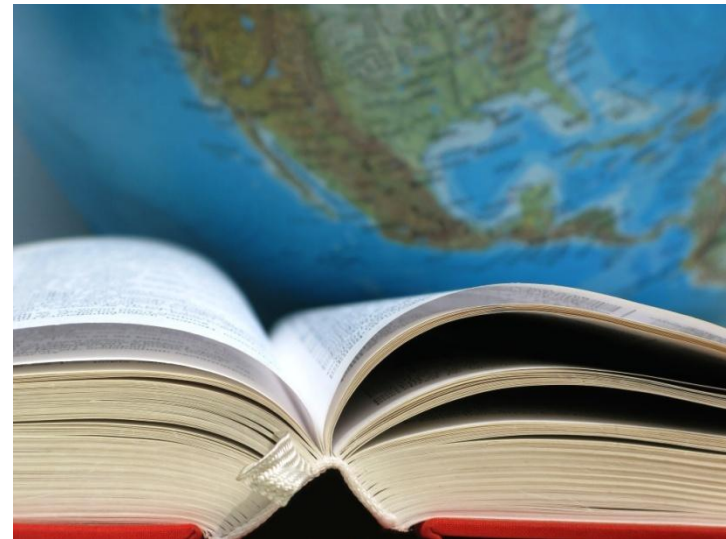
Includes 3 Key Components:

- 1) Core Instructional Amount
- 2) Student Success Factor
- 3) State Share Ratio

Funding the Basic Education Program: The Core Instructional Amount

Recommended RI Core Instructional Amount to Include*:

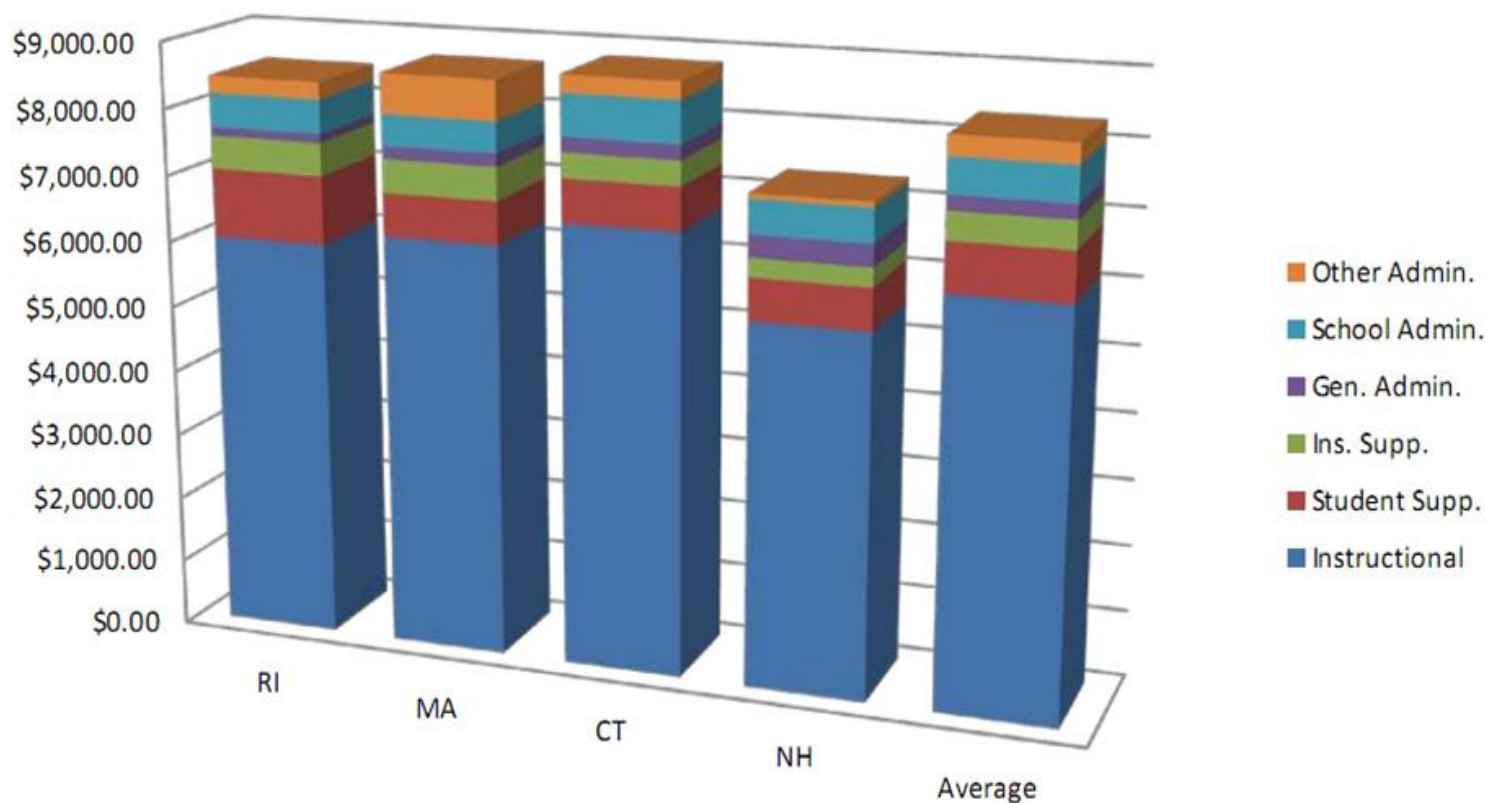
Teachers
Teacher Aides
Guidance Counselor
Librarian
School Administration
District Administration
Administrative Support
Some Portion of Benefits
Instructional, Classroom, and
School Supplies
Textbooks and Equipment
Pupil, Teacher, and Program Supports



* Some costs will be funded locally, such as retiree benefits, transportation, debt service, and capital projects.

Recommended Core Instructional Amount for RI: \$8,295

Comparisons of Core Costs of Education



Student Success Factor

Goal: To close student achievement gaps

- Provides additional funding to support student needs beyond the core amount
 - Proposed : 0.40 of Core Instructional Amount applied to PK-12 students eligible for Free and Reduced Price Lunch
- Based on research and methods used by more than 22 states
- Builds on the previous work and research done by RIDE and other stakeholders

Proposed Calculation

$$\begin{aligned} & (\text{PK-12 RADM} \times \$8,295 \text{ Core Instructional Amount}) \\ & \quad + \\ & (\text{PK-12 FRPL} \times (\$8,295 \times 40\% \text{ Student Success Factor})) \\ & \quad = \\ & \text{Core Instruction \& Student Success Total} \\ & \text{Prior to State and Local Share Calculation} \end{aligned}$$

RADM = Resident Average Daily Membership. Counts students based on the district where they reside and gives the district credit for any time that the student is an enrolled member of the district. Charter and state school students are excluded from district totals.

FRPL = The actual number of PK-12 students receiving Free and Reduced Price Lunch; our poverty indicator.

State Share Ratio

$$\text{State Share Ratio (SSR)} = \sqrt{\frac{\text{SSRC}^2 + \%PK6FRPL^2}{2}}$$

Addresses 2 Key Questions:

- ❖ How do we account for differences in the revenue-generation capacity of communities?
- ❖ How do we allocate funding to communities based on the supports that students need?

Key Definitions:

- ❖ **FRPL:** The actual number of students grades PK-6 receiving Free or Reduced-Price Lunch; our poverty indicator for the state share for each district.
- ❖ **SSRC:** A calculation of a district's revenue-generating capacity. It is a number between 0% and 100% based on each district's assessed real estate values adjusted for median family income as compared to the statewide value.

Additional Funding for Special Programs

This proposal includes additional funding for certain programs:

- **Extraordinary costs related to special education students.** The state will assume these costs when they exceed a threshold to be established, which is beyond the district's combined Core Instructional Amount and Student Success Factor amount.
- **Certain start-up and maintenance costs for Career and Technical Education programs.** Funding will be provided through a state grant program.
- **RI launched our Pre-K program this year.** This proposal grows the Pre-K initiatives over 10 years.
- **State stabilization funds for the Central Falls Public Schools.** This district is 100% state funded. This formula assumes that the City will contribute to its students at approximately \$1M per year for a total of \$5.8M over six years.

Benefits of the Formula:

- Provides more resources for **71%** of the students in Rhode Island
- Funds the **Basic Education Program**, which includes funding for Special Education students, English Language Learners, and Career and Technical Education students
- In addition to the Core Instructional Amount, additional **Student Success Factor** funds are distributed to districts based on the number of students with high-intensity needs



Other Key Recommendations

1. Every three years, conduct a high-quality “costing-out” study to update the formula.
2. Review existing legislation and statutes on education spending to determine what adjustments may be needed.
3. Finalize the list of state-funded special programs and estimate their cost.
4. Use Uniform Chart of Accounts data to establish efficiency benchmarks for instruction, leadership, and operations.
5. Obtain and analyze RI salary and benefit information to identify salary inequities among districts.

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